

April 17, 2023



Testimony of the American Lung Association
Opposing Senate Bill 245
Senate Committee on Economic Development and Technical Colleges

Dear Chair Feyen and members of the committee,

The American Lung Association represents thousands of patients and families with lung disease in Wisconsin and are committed to ensuring that BadgerCare provides adequate, affordable, and accessible health care coverage. Medicaid's robust healthcare coverage is critical for low-income children, adults, seniors, and people with disabilities. However, Senate Bill 245 would jeopardize coverage for patients who remain eligible for Medicaid. The Lung Association urges Wisconsin lawmakers to oppose this bill.

Senate Bill 245 would prohibit state agencies from automatically renewing people's Medicaid benefits, require eligibility to be verified every six months (instead of annually), and would lock patients out of coverage for six months if they fail to report any change that may impact their eligibility. It also prohibits using prepopulated forms to help streamline enrollment. This bill will lead to administrative chaos and massive disenrollment, including of enrollees who are eligible but lose coverage due to administrative red tape. Low-income individuals who qualify for Medicaid may move frequently and not receive notices about their eligibility, therefore not realizing they have lost their Medicaid coverage until they show up at a hospital, physician's office, or pharmacy. This loss of coverage would likely lead to delays in accessing needed care.

The evidence is clear that policies that increase administrative red tape for patients lead to coverage losses for individuals with serious and chronic health conditions, including lung disease. For example, when Washington state changed its renewal process from every twelve months to every six months and instituted new documentation requirements in 2003, approximately 35,000 fewer children were enrolled in the program by the end of 2004.ⁱ Additionally, a recent report found that 1.6 million individuals lost their Medicaid coverage in 2018, including 744,000 children, with the largest coverage losses in states that had burdensome redetermination processes.ⁱⁱ Battling administrative red tape in order to keep coverage should not take away from patients' or caregivers' focus on maintaining their or their family's health.

SB 245 would also require Medicaid enrollees' to timely report change of employment or wages or be locked out of coverage for six months. Low-income individuals' wages and housing situations often fluctuate due to the nature of hourly wages and income insecurity. The Medicaid agency should be reviewing this information at the 12-month redetermination check. Doing so more frequently will result in more churn in the Medicaid program, more gaps in coverage, worse health outcomes and ultimately higher healthcare costs.

The American Lung Association strongly opposes proposals to increase the administrative burden on individuals in the Medicaid program and lock patients out of coverage, which will decrease the number of individuals with quality, affordable healthcare. Adding this burden is especially dangerous at this time as Wisconsin will already need to devote resources to processing hundreds of thousands of eligibility redeterminations at the end of the COVID-19 continuous coverage requirements. This is not a responsible use of tax dollars because it will

mean increased costs for the administration, higher medical bills for those who are forced to go without coverage, and more red tape for patients who should be focused on their health.

If Wisconsin lawmakers want to strengthen the health of the workforce, they could agree to expand Medicaid which would mean people could earn more while maintaining their health care coverage. It would also qualify our state for more than \$1 billion in savings which could be used to bolster work supports. There are, in fact, many alternative policies that Wisconsin could pursue to ensure patients who remain eligible for Medicaid coverage maintain their access to care and we would be very happy to serve as a resource to develop ideas to strengthen this program. The American Lung Association urges Wisconsin lawmakers to reject these proposals and instead focus on policies that promote affordable, accessible, and adequate health care coverage in Wisconsin.

Please contact me if you have any follow up questions.

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ⁱ Tricia Brooks, "Data Reporting to Assess Enrollment and Retention in Medicaid and SCHIP," Georgetown University Health Policy Institute Center for Children and Families, January 2009.

ⁱⁱ https://familiesusa.org/sites/default/files/product_documents/Return_of_Churn_Analysis.pdf